

# National Association of County Veterans Service Officers



## Home Loan Guarantee

# References

---

- 38 USC Chapter 37
- 38 CFR Part 36
- M26-1 Guaranteed Loan Processing Manual

# Who's eligible?

- Vets of any wartime period (except for Persian Gulf) with 90 days active duty and discharge under honorable conditions
- Peacetime vets with 181 days of continuous active duty and discharge under honorable conditions
- If less than minimum time, discharged because of SC disability

# Who's eligible?

- Service between 09-07-1980 and 08-01-1990:
  - 24 months continuous active duty, or
  - full period for which called to active duty, and
  - discharged under honorable conditions
- Less if discharged because of SC condition
- Minimum of 20 months and discharged for Convenience of Government

# Who's eligible?

- 181 days and discharged because of hardship or Reduction In Force (RIF)
- After 08-02-1990 - 24 months

# Reserves and National Guard

- 6 years service completed and continue to serve in Selected Reserve...or
- Discharged under honorable conditions, or
- Discharged for SC disability, or
- Placed on retired list or transferred to Ready Reserve

## Who else?

- Un-remarried surviving spouse of veteran who died on active duty or SC death
- Spouse of any active duty member listed MIA or POW more than 90 days
- Remarried surviving spouse after age 57

# What can be purchased?

- Existing House  
(including a townhouse or condominium in VA-approved project)
- Build a new house
- Repair, alter, or improve existing house
- Buy a manufactured (mobile) home and/or a lot



# What can be purchased?

---

- Buy and improve lot for already owned/occupied mobile home
- Refinance mobile home in order to acquire lot

# Farms and businesses?

- Loan not available to buy a farm unless personally occupied by eligible buyer
- Not available to purchase a business
- Farmers Home Administration/SBA with veteran preference

# VA does not actually make the loan

- VA guarantees a percentage of loan reducing lenders risk
- If both spouses are veterans with entitlement, their entitlements may be combined for greater guaranty amount
- “Certificate of Eligibility” does not guarantee loan; borrower must meet criteria of lender

## VA does not make direct loans - except -

- Eligible Native American to buy, build or improve home on tribal land  
(Up to the current “Freddie Mac” single-family conventional dwelling loan)
- Eligible disabled veteran for Special Adapted Housing grant to cover difference between grant and actual cost of housing unit  
(max. \$63,780)

# How much does VA guarantee?

- Basic CONUS entitlement is –  
25% of \$417,000 or  
125% of area median price  
but, never higher than 175% of the  
Freddie Mac area single-family residence  
(Federal Home Loan Mortgage Corporation)
- Changes annually
- [www.benefits.va.gov/homeloans/faqpreln.asp](http://www.benefits.va.gov/homeloans/faqpreln.asp)

# Limits?

---

- There is no time limit for using Loan Guaranty entitlement
- Want to delete this slide..

## It can be used again if:

- There is no time limit for using Loan Guaranty entitlement
- Property is sold and previous loan is paid in full
- A “Release of Liability” is granted by the VA
- Loan is assumed by a qualified buyer with loan guaranty eligibility

### **ONE TIME ONLY**

- Previous loan has been paid in full but property securing loan has not been sold

# How to acquire a Certificate of Eligibility

- ACE (Automated Certificate of Eligibility)

Most lenders have access to this Internet-based application that issues COE in a matter of seconds

[www.benefits.va.gov/homeloans/docs/Veteran\\_registration\\_coe.pdf](http://www.benefits.va.gov/homeloans/docs/Veteran_registration_coe.pdf)

- Using “E-Benefits” if you have an account



## How to acquire a Certificate of Eligibility

- 26-1880 sent to:  
Atlanta Regional Loan Center  
Attn: COE (262)  
P.O. Box 100034  
Decatur, GA 30031  
(proof of service should be included with application)
- Phone: 888-768-2132 for information